GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:603
ANSWERED ON:23.02.2001
PRICES OF NATURAL RUBBER
RAMSHETH THAKUR

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

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(a) whether despite the announcement made by the Prime Minister to procure 50,000 metric tonnes of natural rubber, the prices of natural rubber is low in the market; (

(b) if so, the details thereof and the reasons therefor; (

(c) whether the Prime Minister has also assured to increase the benchmark price of natural rubber; (

(d) if so, the steps being taken by the Government in this direction; (

(e) whether a huge quantity of natural rubber has piled up in the market due to 3 lackness shown by procurement agencies; (

(f) if so, whether growers are waiting for the Government to mix minimum support prices;
(g) if so, the steps being taken by the Government in this direction; and
(h) the time by which minimum support prices are likely to be fixed?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN)

(a) & (b): Yes, Sir. The monthly average price of Natural Rubber which was Rs.28.67 per kg in December, 2000 declined to Rs.28.53 per kg in January, 2001 and was ruling at Rs.27.50 per kg on 19.2.2001. The decline is due to availability of surplus stock in the market and slow down in consumption of Natural Rubber by the consuming industry.

(c) : No Sir.

(d): Does not arise.

(e) As per Rubber Board`s estimates a total stock of 1,84,000 MT ofNatural Rubber is available in the market. However, availability of this stock is not due to slackness of procurement agencies but on account of low off take of Natural Rubber by the end users.

(f) & (h) : Fixing of minimum support price for Natural Rubber is not a feasible proposition as in the free market era, the prices are primarily determined by the demand and supply factors. Further, unlike most of the agricultural crops which are under minimum support price (MSP) mechanism, rubber is a perennial crop with long plant life and generally cultivated with high value crops.